

FISCAL NOTE

HB 2532 – SB 2846

February 8, 2008

SUMMARY OF BILL: Requires that the monthly sewer rate charged by a municipality be based on each customer's average water consumption from December through March.

ESTIMATED FISCAL IMPACT:

Local Revenue – Net Impact – Not Significant

Local Expenditures – Net Impact - Not Significant

Assumption:

- The months of December through March are generally lower water usage months than other months of the year. Tenn. Code Ann. § 7-35-414 requires municipal waterworks and sewage systems to establish rates adequate to pay all reasonable expenses. This bill does not limit the amount of revenue that can be collected, only the usage base upon which rates are set. Therefore, it is assumed that utilities will increase their rates per unit of usage to maintain the same level of revenue.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/kmc